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20 May 1955

SUBJECT: Request for Data on Impact of East-West Trade Controls

1. JIG is interested in focusing the over-all review of economic defense policy now being conducted by the Council on Foreign Economic Policy to point up more specifically the economic and political impact of control measures. For that purpose JIG requests that data be supplied which are not now available or are being neglected. The presentation should emphasize a realistic approach.

2. The following points are of special interest:

(a) Effects of varying degrees of security trade control on the Communist Bloc (and Communist China) as a source of internal economic strain and political disunity within the Communist Bloc. This should be broken down into the following classifications:

(i) Selective controls primarily aimed at the war potential of the European Bloc or selective controls as presently applied against the military and industrial potential of Communist China;

(ii) Total embargo, aimed at the total economy of the Sino-Soviet Bloc, including the agricultural sector.

(b) Extent to which the economic effects or impact of the security trade program of the free world would affect the political stability of separate Communist regimes and the political unity of the Communist Bloc as a whole. This should be broken down into the same two classifications as under (a) above.

3. A preliminary response is requested for not later than noon of 27 May 1955.

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